



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RQ-3

October 3, 2002

Mrs. Elizabeth Smith, Treasurer
The Madison Project Inc.
P.O. Box 100
Centreville, VA 20122

Identification Number: C00298000

Reference: Amended Mid-Year Report (1/1/01-6/30/01), received 6/17/02 and
Amended Year End Report (7/1/01-12/31/01), received 6/17/02

Dear Mrs. Smith:

On September 11, 2002 you were notified that a review of the above-referenced report(s) raised questions as to specific contributions and/or expenditures, and the reporting of certain information required by the Federal Election Campaign Act.

Your September 26, 2002 response is incomplete because you have not provided all the requested information. For this response to be considered adequate, the following information is still required.

-Your response indicates that, "The Madison Project Inc. does indeed have two bank accounts. When invoices for administrative expenses are received, the Madison Project transfers money from its federal account to the other account to pay the expenses. The other account, in a sense, serves as a separate allocation account. All administrative expenses are paid for with federal funds that are deposited into the account shortly before payment.....and no allocation of administrative expenses could be made because non-federal activities were de minimis."

Please be advised that under 11 CFR §106.6(e)(ii), a "separate allocation account" is an account into which funds from both the federal and non-federal accounts shall be deposited solely for the purpose of paying allocable expenses for joint federal and non-federal activities. The committee shall transfer funds from both its federal and non-federal accounts to the "separate" allocation account in amounts proportionate to